

EXHIBIT A
SECTION I.H. AND EXHIBIT O OF THE QWB EXCHANGE AGREEMENT

H. CONDITIONS OF STATE APPROVAL.

1. The CITY and DEVELOPER shall have all necessary agreements in place and effective prior to June 1, 2002. This means that the "Closing" under the **D&D AGREEMENT** must take place on or before May 31, 2002.
2. The DEVELOPER must proceed with development of the project without phasing, except as otherwise provided in Section 3 of the **SECOND AMENDED AND RESTATED GROUND LEASE**, between the City of Long Beach, as Landlord and DDR Urban LP, as Tenant (hereinafter the "**GROUND LEASE**"), a copy of which is attached to the **SUPPLEMENT** as Exhibit C. CITY shall deliver to STATE a copy of the final plans for construction no later than 21 days prior to commencement of construction; the scope of STATE's review of said plans shall be limited to verifying that the improvements to be constructed on a particular QUEENSWAY BAY PARCEL are within the boundaries of that parcel and substantially as shown on Exhibit O. Construction, commencing with grading activities, shall begin immediately upon the Close of Escrow, as defined in paragraph IV. E., below, and shall be diligently pursued to completion. For purposes of this paragraph I.H., "completion" shall be deemed to have occurred with respect to the improvements to be constructed on a QUEENSWAY BAY PARCEL, and such improvements shall be deemed to have been "completed", when both of the following have occurred with respect thereto: (i) such improvements shall have opened for business, meaning that the tenant or operator thereof has commenced doing business with the public from such improvements; and (ii) a Certificate of Completion shall have been recorded in the Official Records of Los Angeles County for such parcel as provided for in Section 5.2 of the **D&D AGREEMENT**.
3. The initial use of each structure on the five QUEENSWAY BAY PARCELS (or in the case of QUEENSWAY BAY PARCEL C/D, on the second floor thereof) shall be as stated and reflected on Exhibit O.
4. If the deadline described in paragraph I. H. 1. above, is not met, subject to the provisions of paragraph I. H. 7. below, the PARTIES agree that this Agreement shall be of no further force and effect and escrow shall automatically terminate as provided in paragraph IV. G. 3. below.

EXHIBIT A (CONT'D)

5. Should the conditions provided for in paragraphs I. H. 2. and 3. above, not be met, this Agreement shall remain in force and effect. However, as to any parcel in violation of the conditions in paragraphs I. H. 2. or I. H. 3. above, if the violation has not been cured by the date that is 60 days after STATE's delivery of written notice thereof to CITY, DEVELOPER and each person or entity that is holder or beneficiary of a deed of trust, mortgage or similar lien recorded against the GROUND LEASE affecting that parcel, then that parcel shall revert to its status as lands held by TRUSTEE subject to the Granting Statutes, and CITY shall execute and record a deed and any other necessary instrument transferring the parcel to its prior trust status.
6. The Close of Escrow provided for in paragraph IV. E. below may occur simultaneously with the Closing under, and as provided in Section 4.2. of the **D&D AGREEMENT**, but shall otherwise not occur prior to the Closing under the **D&D AGREEMENT**.
7. The deadlines provided for in paragraphs I. H. 1. and 2. above shall be extended when a Party to this Agreement or a party to the **D&D AGREEMENT** is unable to meet a deadline for close of escrow or commencement of construction due to one or more of the following events which proximately causes such delay: strikes, lockouts, acts of war, acts of God, acts of the public enemy, or litigation by third parties that results in a court order temporarily preventing closing of escrow or construction. The extension shall be only for so long as the event causing the delay continues and is the proximate cause of the delay.
8. This Agreement shall survive its recordation; provided, however, that the foregoing provisions of this paragraph I. H. shall cease to be of any further force and effect as to each of the QUEENSWAY BAY PARCELS when the initial improvements to be constructed thereon have been completed, as such term is defined in paragraph I. H. 2. above. Without limiting the foregoing, from and after the date of such completion with respect to a particular QUEENSWAY BAY PARCEL, CITY, or its lessee, as authorized by CITY, may alter the use of such parcel and shall not be required to seek any sort of approval from STATE with regard to any future use. Not later than thirty (30) business days after CITY's, or its lessee's, request therefor at any time after the date of completion with respect to a particular QUEENSWAY BAY PARCEL, the Executive Officer of the California State Lands Commission shall deliver to CITY and CITY's lessee an instrument in recordable form that recites that the terms of paragraphs I. H. 1 through I. H. 7. of this Agreement have been complied with and are of no further force or effect as to such parcel.

EXHIBIT A (CONT'D)

EXHIBIT O

Pursuant to Section I.H.3., the following are the designated initial uses for each structure on the five QUEENSWAY BAY PARCELS. The location of each respective parcel is shown crosshatched on the attached Site Plan, Exhibit O, page O-2.

Parcel	Initial Use
Queensway Bay Parcel A1	large screen format theater
Queensway Bay Parcel C1	day spa or retail
Queensway Bay Parcel C/D	second floor - multiplex movie theater
Queensway Bay Parcel D1	retail
Queensway Bay Parcel E	retail

EXHIBIT A (CONT'D)

EXHIBIT O

O-2

